

Carl Moyer Program Fund Allocation Process

Overview

ARB distributes the available Carl Moyer Program funds to participating air districts annually via a strict set of requirements set in statute (Health & Safety Code §44299.2). Below is an explanation of the steps involved.

Before any other criteria are considered, South Coast AQMD is awarded its share of the program funds based on population; South Coast AQMD is not included in any of the subsequent calculations except where specifically noted. Next, each other district is awarded a minimum allocation amount of \$200,000. The remaining program funds are awarded to the districts based on three components in statute: district population, district air quality, and the historical allocation awarded in FY 2002/2003.

Tentative Allocation. In November or December each fiscal year, ARB Moyer staff receives a tentative total grant amount, based on revenues received to date, from ARB's Budget staff. Moyer staff uses these criteria to calculate a tentative allocation for each district as a share of the total grant amount. In January ARB sends this tentative allocation to districts with a grant solicitation. Districts then choose to respond in one of the following ways, as indicated on the application they return in February or March:

1. Accept the tentative allocation;
2. Accept the tentative allocation and request additional funds;
3. Accept the tentative allocation and designate it to another district;
4. Accept only the minimum allocation amount of \$200,000;
5. Accept only the minimum allocation amount of \$200,000 and designate it to the Rural Assistance Program;
6. Decline all funds.

Once the districts have chosen accordingly, ARB sums the tentatively allocated funds that are in excess of the minimum allocation, for those districts that chose to accept only the minimum allocation. As an example, that sum for Year 18 is \$369,536. As a final allocation is developed, that amount is redistributed to the districts that requested funds beyond their tentative allocation.

Final Allocation. The criteria for redistribution are the same as the criteria for the tentative allocation, except that there is no additional minimum allocation amount. Note that only those districts requesting additional funds are included in the redistribution criteria – the proportion of funds awarded to each district will therefore differ between what they are awarded in the tentative allocation versus the redistribution.

Note also that following the grant solicitation ARB's Budget staff may update the tentative total grant amount based on updated revenue estimates. In Year 16, for example, projected revenues available for grants declined from \$62,811,000 in November to \$62,377,000 in February. For districts requesting their tentative allocation, the final allocation must reflect any decline in the revenue projection. For districts requesting more than their tentative allocation, the final allocation must reflect both a change in projected revenues (up or down) and the reallocation of funds declined by minimum allocation districts. In a year when the revenue projection declines, it's therefore possible for some districts to receive a grant lower than their tentative allocation, while other districts receive a grant that is higher.

Following is additional detail on the application of the statutory formula in the grant awards allocation process.

South Coast AQMD's Portion and Minimum Allocation Amount

- 1) South Coast is awarded an amount of funds proportional to the population within its boundaries compared to the total state population.
- 2) A minimum allocation amount of \$200,000 is awarded to each other district.
- 3) The remaining funds are awarded as follows:
 - a) 35% based on district population.
 - b) 35% based on district air quality.
 - c) 30% based on the historical FY 2002/2003 allocation.

a) District Population Allocation

- 1) Each district is awarded an amount of funds proportional to its population compared to the total state population (minus South Coast AQMD's population).

b) District Air Quality Allocation

- 1) "Severity points" are assigned to each district based on attainment status and diesel particulate matter (PM) emissions:
 - a) Severity points by attainment status: 1 point for attainment; 2 points for transitional, basic or marginal status; 3 points for moderate; 4 points for serious; 5 points for severe; 6 points for severe-17; and 7 points for extreme.
 - b) Severity points by PM emissions: points are assigned by air basin – if a district has more than one air basin at least partially within its boundaries, only the basin with the highest PM emissions is used for that district. 1 point is assigned for every full 1,000 tons of PM emissions in an air basin.
 - c) San Diego County and Imperial County are each assigned 1 additional severity point due to emissions transported from Mexico.
- 2) The severity points are added up for each district, and then multiplied by that district's population, resulting in an "air quality exposure index" for each district.
- 3) Each district is awarded an amount of money proportional to its air quality exposure index compared to the total air quality exposure index of every district added together.

c) Historical FY 2002/2003 Allocation

- 1) Each district with a population greater than or equal to 1% of the total state population (South Coast AQMD's population is included) will be awarded additional money based on the historical allocation awarded to that district in FY 2002/2003.
- 2) For each district to be awarded money based on this criterion, the minimum allocation amount in FY 2002/2003 is subtracted from the final allocation amount awarded to the district that year. Note that the minimum allocation amount in FY 2002/2003 was \$100,000.
- 3) Each district included in this criterion is awarded an amount of money proportional to the amount calculated in the previous step compared to the total amount of money for all districts included in the previous step.